

I write in opposition to the proposed rulemaking (Docket 05-311) that could have a catastrophic impact on our local GNAT-TV and community media centers (Access Centers) around the country.

The proposed FCC rulemaking would allow cable companies to assess the value for 'in kind' services and deduct that amount from the Franchise Fees used to fund Access Center operations. Rather than pay its commitment in cash, a cable company could make nonmonetary "in-kind" contributions. For example, cable companies could claim that our local channel programming guides, live feeds at town halls, or even the local Access Center itself have value that equals the amount of the Access Center annual funding.

The FCC fails to set any guidelines or limitations to the values that cable companies can assess and it's conceivable that cable companies could zero out franchise fee payments to Access Centers entirely with arbitrary value assessments. The FCC rulemaking could mean that local cable access providers around the country – sometimes the sole source of information on local government - would lose all operating funding while padding the profit margins of the cable companies.

This rulemaking undermines the intent of the Cable Act of 1984 and subverts the interests of communities and the public good under cable company profits and interests.

The majority of funding for local public service cable access television - such as our local Greater Northshire Access TV - comes from the subscribers of the cable TV system. In the Cable Act legislation of 1984, Congress wisely established Franchise Fees and PEG Fees as a condition for cable operators providing commercial cable TV services. Franchise fees are often described as 'rent' for the commercial access and use to the public right of ways. In Vermont, these fees fund 25 PEG Access Centers as public interest obligations that ensure the commercial media being pumped into residents' homes is balanced by meaningful non-commercial, locally originated content. ***Non-commercial PEG channels provide an important means of free speech, government transparency and communication with residents.*** Cable companies do not pay Franchise or PEG fees, these fees are paid by cable subscribers and merely pass through the cable companies. The new FCC rule making will not change the amount currently charged to cable subscribers, it merely allows cable companies to keep this money.

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